

Message Text

CONFIDENTIAL

PAGE 01 CARACA 08468 01 OF 02 292242Z

72

ACTION DLOS-07

INFO OCT-01 ISO-00 AF-10 ARA-16 EA-11 EUR-25 NEA-14 RSC-01

IO-14 OIC-04 COA-02 EB-11 FEA-02 JUSE-00 INT-08

COME-00 DOTE-00 NSF-04 OMB-01 TRSE-00 SWF-02 AGR-20

ACDA-19 AEC-11 CG-00 CEA-02 CIEP-03 FMC-04 EPA-04

SCI-06 CEQ-02 CIAE-00 DODE-00 PM-07 H-03 INR-11 L-03

NSAE-00 NSC-07 PA-04 PRS-01 SP-03 SS-20 USIA-15 DRC-01

/279 W

----- 101616

R 292040Z AUG 74

FM AMEMBASSY CARACAS

TO SECSTATE WASHDC 5625

INFO USUN NEW YORK 808

AMEMBASSY KINGSTON

C O N F I D E N T I A L SECTION 1 OF 2 CARACAS 8468

FROM US DEL LOS

EO 11652: GDS

TAGS: PLOS

SUBJ: LOS: CONVERSATION BETWEEN JOHN NORTON MOORE

AND KENNETH RATTRAY, RAPPORTEUR GENERAL OF

LOS CONFERENCE AND HEAD OF JAMAICA DELEGATION

1. SUMMARY. US REP. MOORE INVITED AMB. RATTRAY TO LUNCH TO DISCUSS GENERAL OUTLOOK ON CONFERENCE. CONVERSATION CENTERED ON WORK OF COMMITTEE I (SEABEDS REGIME) WHICH RATTRAY SAID HAD ENTERED STAGE OF SERIOUS NEGOTIATIONS WITH GOOD GIVE AND TAKE ON ALL SIDES AND GENERAL AGREEMENT ON NEED FOR TREATY TO SET FORTH CONDITIONS OF WORK APPLICABLE TO ALL. CONVERSATION ALSO DISCUSSED WORK OF COMMITTEE II. RATTRAY EXPRESSED CONCERN THAT
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 CARACA 08468 01 OF 02 292242Z

SOME MECHANISM WAS NEEDED IN C-II TO GET REAL

NEGOTIATIONS GOING. HE IMPLIED SUCH A MECHANISM BEING CONSIDERED BY AGUILAR WAS IN FORM OF CONSOLIDATED TEXT TO WHICH AMENDMENTS COULD BE OFFERED. HIS MAIN POINT RE C-2 WAS NOTION THAT TRADITIONAL CONCEPTS GETTING IN WAY OF END RESULTS AND NEED TO SPELL OUT RIGHTS AND DUTIES OF STATES RATHER THAN TO FOCUS ON CONCEPTS. RATTRAY THOUGHT STRONG SUPPORT EXISTED FOR COMPLETING TREATY IN 1975. END SUMMMARY

2. COMMITTEE I - RATTRAY MADE FOLLOWING POINTS RE WORK OF COMMITTEE I ON SEABEDS REGIME:

(A) IT WAS GENERALLY ACCEPTED THAT CONDITIONS OF WORK WHICH WOULD ENCOURAGE DEVELOPMENT OF SEABED RESOURCES WAS AN ACCEPTED "FACT OF LIFE" IN COMMITTEE;

(B) TECHNOLOGY TRANSFER WAS ESSENTIAL PART OF THE CONCEPT OF COMMON HERITAGE BUT ANY ADDITIONAL COST OF SUCH PARTICIPATION SHOULD BE ASSESSED AS A PART OF THE SHARE DUE THE AUTHORITY AND NOT AN ADDITIONAL COST ON THE PRODUCER. RATTRAY WAS VAGUE RE PRACTICAL DETAILS OF TECHNOLOGY TRANSFER THAT WOULD NOT TRESPASS ON LEGITIMATE INDUSTRIAL SECRETS WHICH ACQUIRED AT GREAT EXPENSE;

(C) ESSENTIAL QUESTION IN RATTRAY'S VIEW WAS NOT WHO WOULD EXPLOIT BUT AGREEMENTS WHICH WOULD PROTECT THE COMMON HERITAGE. RATTRAY SAID THAT IN VIEW OF TECHNOLOGICAL SITUATION SAME ENTITIES WOULD BE DOING THE EXPLOITING REGARDLESS OF THE DESIGN OF THE AUTHORITY, AND THAT IT WAS RECOGNIZED THAT CONDITIONS WHICH WOULD ENCOURAGE EXPLOITATION WERE NECESSARY.

(D) ACCORDING TO RATTRAY EXPLOITATION COULD BE IN FORM OF JOINT VENTURE IN WHICH THE ADMITTEDLY HIGH COST OF DEVELOPMENT OF TECHNOLOGY COULD BE ASSESSED AS PART OF THE INTEREST OF THE JOINT VENTURER AND THE RIGHT TO THE RESOURCE THE INTEREST OF THE

CONFIDENTIAL

PAGE 03 CARACA 08468 01 OF 02 292242Z

AUTHORITY OR ENTERPRISE. HE MENTIONED A JAMAICAN AGREEMENT ON BAUXITE IN WHICH JAMAICA'S INTEREST WAS EXPRESSED AS A PERCENTAGE (NOW 71/2 PERCENT OF THE MARKET VALUE OF THE PRODUCT. SIMILAR ARRANGEMENT, HE SAID, COULD BE MADE BETWEEN AUTHORITY AND A JOINT VENTURER. ALTERNATIVE WAS A SPLIT OF THE PRODUCTION. RATTRAY EXPLICITLY RAISED AND ENDORSED PROFIT SHARING AS THE PREFERABLE TECHNIQUES FOR IMPL-

MENTING THE COMMON HERITAGE.

3. QUOTA SYSTEMS: RATTRAY SAID VARIOUS PROPOSALS FOR QUOTA SYSTEMS EXPRESSED CONCERN OF LDCS THAT THERE WOULD NO GOOD SITES REMAINING FOR LATER DEVELOPMENT BY LDCS. MOORE RESPONDED THAT OUR CURRENT INFORMATION INDICATED THAT THERE WERE A LARGE NUMBER OF SITES AVAILABLE FOR INITIAL DEVELOPMENT. MOORE EXPRESSED US CONCERNES WITH PROPOSALS SUCH AS QUOTA SYSTEMS AND PRODUCTION CONTROLS WHICH MIGHT MAKE DIFFICULT OR UNCERTAIN ASSESSMENTS OF SUCCESS OV VENTURE WHICH WOULD ATTRACT LOANS AND INVESTORS. RATTRAY INDICATED THAT IF SOME MECHANISMS COULD BE FOUND TO ENSURE SITES LEFT FOR FUTURE LDC DEVELOPMENT, QUOTA SYSTEM BY COUNTR6 WHICH HE RECOGNIZED AS FAVORED BY SOME DEVELOPED COUNTRIES LAGGING IN TECHNOLOGY, WOULD NOT BE NECESSARY.

4. EXPLOITATION SYSTEMS. RATTRAY INDICATED THAT INITIAL EXPLOITATION OBVIOUSLY WOULD BE BY AGREEMENT BETWEEN THE AUTHORITY AND STATES AND/OR ENTITIES WHICH POSSESSED THE TECHNOLOGY. IF AT LATER STAGE ENTERPRISE UNDERTOOK EXPLOITATION IT WOULD BE BOUND BY SAME WORK CONDITIONS AS OTHERS. IN RESPONSE TO QUESTION FROM MOORE RE POSSIBILITY OF CONFLICT OF INTEREST OF AUTHORITY DEALING WITH ITSELF RATTRAY FELT CONSITUPON OF THE AUTHORITY COULD DEAL WITH THIS PROBLEM.

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 CARACA 08468 02 OF 02 292243Z

72

ACTION DLOS-07

INFO OCT-01 ISO-00 AF-10 ARA-16 EA-11 EUR-25 NEA-14 RSC-01

IO-14 OIC-04 COA-02 EB-11 FEA-02 JUSE-00 INT-08

COME-00 DOTE-00 NSF-04 OMB-01 TRSE-00 SWF-02 AGR-20

ACDA-19 AEC-11 CG-00 CEA-02 CIEP-03 FMC-04 EPA-04

SCI-06 CEQ-02 CIAE-00 DODE-00 PM-07 H-03 INR-11 L-03

NSAE-00 NSC-07 PA-04 PRS-01 SP-03 SS-20 USIA-15 DRC-01

/279 W

----- 101648

R 292040Z AUG 74

FM AMEMBASSY CARACAS
TO SECSTATE WASHDC 5626
INFO USUN NEW YORK 809
AMEMBASSY KINGSTON

C O N F I D E N T I A L FINAL SECTION OF 2 CARACAS 8468

5. RE COMPOSITION OF COUNCIL RATTRAY FORESAW
GEOGRAPHICAL DISTRIBUTION. MOORE EXPRESSED US VIEW
THAT ONE COUNTRY ONE VOTE SYSTEM WOULD NOT PROTECT
US INTERESTS AND WOULD NOT SECURE DESIRED
END OF ENCOURAGING INVESTMENT.

6. COMMITTEE II. RATTRAY INDICATED MECHANISM SUCH
AS CONSOLIDATED TEXT MIGHT BE MEANS OF MOVING
DISCUSSIONS FORWARD. AS IN COMMENTS ON COMMITTEE
I RATTRAY TOOK VIEW THAT TRADITIONAL LAW AND CONCEPTUAL
DIFFICULTIES WERE STANDING IN WAY OF RESULTS. CONCEPTS
SUCH AS TERRITORIAL SEA, INNOCENT PASSAGE,
ETC, SHOULD BE SUPERSEDED BY FOCUS ON SPECIFIC
RIGHTS AND DUTIES.

7. STRAITS: RATTRAY ASKED IF US WOULD ACCEPT NOTIFICATION
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 CARACA 08468 02 OF 02 292243Z

OF STRAITS PASSAGE. MOORE TOOK OCCASION TO
REEMPHASIZE US VIEW ON STRAITS STATING THAT NO FORM
OF NOTIFICATION OR AUTHORIZATION
WOULD BE ACCEPTABLE AND THAT SUBMERGED TRANSIT AND
OVERFLIGHT VITAL.

8. ON OTHER MATTERS RATTRAY FELT THAT AGREEMENT
WAS POSSIBLE IN 1975 AND THAT GEVEVA SESSIONS WOULD
PICK UP WHERE THIS ONE LEAVES OFF WITH NO
GENERAL DEBATE. HE ASKED MOORE ABOUT US VIEWS ON
INTERSESSIONAL WORK TO WHICH MOORE RESPONDED WE
FELT INTERIM MEETING OF COMMITTEE I WORKING
GROUP WOULD BE USEFUL.

9. COMMENT: RATTRAY SUGGESTED THAT COMMON
HERITAGE COULD BE IMPLEMENTED WITH
THREE PRINCIPAL ELEMENTS AND THAT IT MIGHT BE
HELPFUL FOR NEGOTIATIONS TO SHIFT TO THESE ELEMENTS
FOCUSING ON WHAT INTERNATIONAL COMMUNITY WOULD GET
OUT OF THE COMMON HERITAGE AS A STARTING POINT IN

THE NEGOTIATIONS. THESE ELEMENTS WERE IN HIS VIEW:

- (1) PROVISION TO ENSURE SITES LEFT FOR LDC PRODUCERS AT LATER DATE (IF THIS PROVIDED GENERAL QUOTA SYSTEM SAID NOT TO BE NECESSARY);
- (2) TECHNOLOGY TRANSFER IN FORM OF APPROPRIATE PARTICIPATION BY AUTHORITY AND LDC PERSONNEL IN DEVELOPMENT. COST OF SUCH TECHNOLOGY TRANSFER WAS RECOGNIZED AS COMING OUT OF COMMON HERITAGE SHARE PERHAPS WITH LDC'S MAKING A CHOICE BETWEEN PARTICIPANTS OR OTHER BENEFITS;
- (3) PROFIT SHARING (50-50 SPLIT MENTIONED WHICH SEEMED TO REFER TO TAKING SPLIT IN KIND I.E. PRODUCTION SHARING.)

RATTRAY'S VIEWS COULD ALSO BE SUMMARIZED AS AGREEING TO FUNDAMENTAL CONDITIONS OF EXPLOITATION IN THE TREATY (UNCERTAINTY AS TO WHAT CONFIDENTIAL

CONFIDENTIAL

PAGE 03 CARACA 08468 02 OF 02 292243Z

THESE ARE), AGREEMENT TO A COMPETITIVE SELECTION PROCESS, AGREEMENT TO NON-DISCRIMINATION PRINCIPLE AMONG APPLICANTS, ASSUMPTION THAT AUTHORITY WOULD SOME DAY EXPLOIT UNDER SAME COMPETITIVE ARRANGEMENT AS ALL OTHER APPLICANTS (VAGUE ON HOW CONFLICT OF INTEREST WOULD BE AVOIDED ON THIS), AGREEMENT TO COMPULSORY DISPUTE SETTLEMENT, AGREEMENT TO QTE. BALANCED MECHANISM UQTE. REPRESENTING INTERESTS OF PRODUCERS AND CONSUMERS IN DEALING WITH POSSIBLE PROBLEM OF LAND-BASED PRODUCERS AND LITTLE FLEXIBILITY ON QUESTION OF VOTING BALANCE IN COUNCIL. RATTRAY ALSO MADE VAGUE SUGGESTION THAT POSSIBLY GUARANTEED ACCESS TO MINERALS COULD BE HANDLED SEPARATELY FROM ISSUE OF CONDITIONS OF EXPLOITATION AND GUARANTEED RIGHT TO EXPLOITATION. IT WAS CLEAR RATTRAY FELT NEGOTIATIONS IN COMMITTEE I HAD BEGUN AND WAS SEARCHING FOR POSSIBLE WAYS TO MOVE NEGOTIATIONS.

10. THIS CONVERSATION DEEMED PARTICULARLY SIGNIFICANT BECAUSE IT FOLLOWS CLOSELY ON IMPORTANT JAMAICA STATEMENTS IN COMMITTEE AND MAY INDICATE TREND AT LEAST IN MIDDLE GROUND THINKING IN GROUP OF 77. IF US CAN ENCOURAGE COUNTRIES LIKE JAMAICA THIS MAY HELP MIDDLE GROUND ASSUME LEADERSHIP IN 77.
STEVENSON

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: DIPLOMATIC DISCUSSIONS, MEETINGS
Control Number: n/a
Copy: SINGLE
Draft Date: 29 AUG 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: martinml
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974CARACA08468
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D740240-0258
From: CARACAS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t1974089/aaaaahat.tel
Line Count: 277
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION DLOS
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 6
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: martinml
Review Comment: n/a
Review Content Flags:
Review Date: 03 JUL 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <03 JUL 2002 by elyme>; APPROVED <12 MAR 2003 by martinml>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: LOS: CONVERSATION BETWEEN JOHN NORTON MOORE AND KENNETH RATTRAY, RAPPORTEUR GENERAL OF
TAGS: PLOS, US, JM, CARACAS, (MORE, JOHN NORTON), (RATTRAY, KENNETH)
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005